

### Term Sheet

<b>Issuer / Company</b>	S D Corporation Pvt Ltd("SDCPL")
<b>DSRA Guarantor</b>	Shapoorji Pallonji and Company Private Limited ("SPCPL")
<b>Shapoorji Group</b>	Shapoorji Pallonji Group refers to a consortium of companies held by the Mr.Shapoor Mistry, Mr.Cyrus Mistry and other members of Mistry Family who are the promoters of SPCPL, Promoter Companies
<b>Issue Size</b>	Rs 100 Crore
<b>Instrument</b>	Unlisted, Redeemable, Rated, Non-Convertible Debenture ("NCD")
<b>Purpose of the issue</b>	Refinance of existing debt and General corporate purposes
<b>Rating</b>	"AA+(SO)" or above by CARE
<b>Sole Arranger</b>	L&T Financial Consultants Ltd
<b>Escrow Agent &amp; DSRA Bank</b>	HDFC Bank
<b>Debenture Trustee</b>	IDBI Trusteeship Services Limited
<b>Issue Opening Date</b>	26 <sup>th</sup> February 2018
<b>Issue Closing Date</b>	26 <sup>th</sup> February 2018
<b>Deemed Date of Allotment</b>	26 <sup>th</sup> February 2018
<b>Security</b>	<p>a) First and exclusive charge by way of hypothecation over the Escrow Account and the monies lying to the credit thereof from time to time,</p> <p>b) First and exclusive charge by way of hypothecation over the DSRA, the Permitted Investments and the DSRA Account and the monies lying to the credit thereof from time to time, and</p> <p>DSRA guarantee from SPCPL to cover Interest and principal and / or other dues payable to the investors / or Debenture Trustee anytime during the tenure of the NCDs or / and on Maturity with regards to this NCD.</p>
<b>Contractual Security</b>	Charge on Debt Service Reserve Account (DSRA) (DSRA can be in form of Fixed deposit account also) & Escrow Account
<b>Revolving DSRA Guarantee</b>	<p>SPCL to provide unconditional and irrevocable Revolving DSRA Guarantee to ensure timely payment of Interest, Principal and / or any other dues payable to Investors and / or Debenture Trustee anytime during the tenure of the NCD or / and on Maturity with regards to this NCD.</p> <p>All scenario under Event of Default and early redemption shall be covered in DSRA Guarantee</p>

	<p>DSRA Guarantee to be executed shall be acceptable to Investors / Debenture Trustee. An external opinion on enforceability of DSRA Guarantee, DSRA&amp; Escrow Account shall be opined from a reputed legal counsel acceptable to Investors.</p>
<b>ESCROW Account</b>	<p>All Interest, Principal, dues, expenses related to this NCD issuance shall be routed and paid through designated Escrow Account only.</p> <p>Escrow Account shall be opened prior to Pay-In-Date.</p>
<b>Debt Service Reserve Account (DSRA)</b>	<ul style="list-style-type: none"> <li>• DSRA Account shall be opened prior to funding of the subscription amounts.</li> <li>• <b>"Minimum Amount in DSRA"</b> to be maintained shall be transferred to DSRA Account on funding of the subscription amounts and amount in the account shall be on debit freeze / lien marked until the Permitted Investments are made. Initial funding to be made in DSRA within 2 Business Days from the Pay In Date and Permitted Investments can be made subsequently.</li> <li>• Debt Service Reserve Amount for Interest and Principal can be invested in Permitted Investments. Lien marking on Permitted Investments shall be created immediately in favor of Debenture Trustee.</li> <li>• Maturity proceeds of Permitted Investments shall be linked to DSRA Account that is charged to Debenture Trustee for this NCDs.</li> <li>• DSRA Account, Permitted Investments shall be charged to Debenture Trustee at all times.</li> </ul> <p>Income from Permitted Investments shall be routed from the DSRA Account</p> <p><b>"Minimum Amount in DSRA"</b> means the total of:</p> <ul style="list-style-type: none"> <li>• Immediately succeeding Coupon / Interest payable</li> <li>• Principal due and payable in next 15 Business Days.</li> </ul>
<b>Waterfall Mechanism</b>	<ul style="list-style-type: none"> <li>• Penal Interest / Liquidated Damages related to this NCD, if any.</li> <li>• Outstanding Interest, Principal due as per the terms of this Issue, if any;</li> <li>• Interest, Principal due as per the terms of this Issue;</li> <li>• Funding of DSRA account as required in <b>"Minimum Amount in DSRA"</b></li> <li>• Any other dues related to NCD.</li> </ul> <p>Once all the above are fulfilled, surplus amount can be transferred to an external "operating account" as instructed by Issuer.</p>
<b>Mechanism of Funding</b>	<p><b>Servicing of Interest:</b></p> <ul style="list-style-type: none"> <li>• Escrow Account shall be funded by the Issuer at least T-3 business days prior to the Due Date, wherein Due Date is "T" day.</li> <li>• Incase Escrow Account is not funded by the Issuer on T-3 business day, Debenture Trustee will liquidate the DSRA and fund the Escrow Account by T-1 business day.</li> <li>• On T-2 business day itself, Debenture Trustee will issue the notice to Issuer to replenish the DSRA by T-1 business day.</li> <li>• Incase Issuer is unable to replenish the DSRA by T-1-business day,</li> </ul>

	<p>Debtenture Trustee will inform DSRA Guarantor "SPCPL" to replenish the DSRA by "T" day 12.00 pm.</p> <ul style="list-style-type: none"> <li>• SPCPL shall arrange the funds and replenish the DSRA by given timelines.</li> <li>• On T day, Trustee to utilize the funds in the Escrow Account and/ or DSRA Account to make the scheduled interest payment.</li> </ul> <p><b>Servicing of Principal in the event of a) final maturity b) exercise of put or call option:</b></p> <ul style="list-style-type: none"> <li>• Issuer shall fund the "DSRA" with next payable Principal at least 15 business days prior to Due Date of payment of principal, wherein Due Date is "T" day.</li> <li>• In case Issuer is unable to fund the DSRA by T-15 business days, Debtenture Trustee will inform DSRA Guarantor "SPCPL" to fund the DSRA with next payable Principal within 5 business days after T-15 days.</li> <li>• Debtenture Trustee will liquidate the DSRA with payable Principal and transfer the same to Escrow Account latest by T-2 business day.</li> <li>• Payment of Principal along with Interest (as per Servicing of Interest Mechanism above) shall be done on T day.</li> <li>•</li> </ul> <p><b>In case of Event of Default / Early Redemption Situations:</b></p> <ul style="list-style-type: none"> <li>• Debtenture Trustee will issue the notice immediately to Issuer and DSRA Guarantor informing the Outstanding Dues i.e. Interest and Principal both, payable due to occurrence of Event of Default / Early Redemption. Date of such notice shall be termed as "T" day (date of funding the amount in DSRA- wherein DSRA is to be funded 15 business days for principal and 1 quarter for interest)</li> <li>• Issuer shall fund the "Escrow" with Outstanding Dues within T+5 business days from the date of such Event of Default.</li> <li>• In case Issuer is unable to fund the Escrow Account within 5 business days, Debtenture Trustee will inform DSRA Guarantor "SPCPL" on T+6 business day for replenishing the DSRA with Outstanding Dues by T+9 business day.</li> <li>• On T+10 business day, Debtenture Trustee will liquidate the DSRA and fund the Escrow Account for clearing the Outstanding Dues by T+10 business day.</li> </ul>
<b>DSRA Maintenance</b>	DSRA can be parked into Permitted Investments approved by Investor / Debtenture Trustee
<b>Permitted Investments</b>	Interest and Principal to be maintained in DSRA can be invested in fixed deposits with Scheduled Commercial Banks rated AA+ and above or in Liquid funds specifically approved by the Debtenture Trustee. Such Investments and income thereon shall be charged to Debtenture Trustee at all times.

	<ul style="list-style-type: none"> <li>The Lien on such investments shall be created immediately.</li> <li>Fixed Deposits / Liquid Funds shall be lien marked and charged to Debenture Trustee.</li> </ul>
<b>Final Maturity</b>	3 years 2 months from date of allotment
<b>Coupon</b>	<p>9.75% per annum payable quarterly till the time Put or the Call option is exercised on 20<sup>th</sup> June 2019.</p> <p>If the Put or the Call is not exercised on 20<sup>th</sup> June, 2019 then the Coupon shall be revised to 10.20% per annum payable quarterly from 20<sup>th</sup> June 2019 onwards till the final maturity.</p>
<b>Frequency of Coupon</b>	Quarterly
<b>Put Option Date</b>	20 <sup>th</sup> June 2019
<b>Call Option Date</b>	20 <sup>th</sup> June 2019
<b>Put Option Price</b>	Aggregate of the principal amount of each Debenture, accrued Interest and the penal interest, if any
<b>Call Option Price</b>	Aggregate of the principal amount of each Debenture, accrued Interest and the penal interest, if any
<b>Put option Notice date</b> <b>Call option Notice date</b>	60 days before the put option date / call option date
<b>Final Call option</b>	Issuer has the option to exercise the call 15 days before the maturity of the debentures with a prior intimation to the debenture holders by giving a notice of 5 days in advance.
<b>Issue Price</b>	Rs.1,00,00,000/- per NCD (Rupees one crores each)
<b>Redemption Value</b>	Rs.1,00,00,000/- per NCD (Rupees one crores each)
<b>Financial Covenants</b>	<ul style="list-style-type: none"> <li>At any point of time, Interest due and payable on immediately next quarterly payment date and Principal due and payable in next 15 days should be maintained in DSRA account on ongoing basis till final Redemption of NCD.</li> <li>No pledge/charge to be created over the shares of the Issuer without the consent of the debenture holders. <ul style="list-style-type: none"> <li>External Total Debt Cap of Rs.5500 crore with respect to the SD Corporation Pvt Ltd.</li> </ul> </li> </ul> <p>The above covenants to be tested on annually on audited Balance Sheet of Issuer.</p> <p>On a breach of any one of the financial covenants, the Issuer shall be given a 30 Day cure period, failure to address the breach post the cure period shall result in either the coupon increasing by 50 bps from the date of breach, or the Investor exercising the put option on the bond. In case the NCD holders exercise the Put option on issuer's failure to rectify the financial breach within the stipulated time period, issuer will mandatorily accelerate the redemption of outstanding NCDs.</p>

Rating Action	<p>The current issue is rated as AA+(SO) by CARE. In case of a rating migration, the following actions shall take place from the date of press release on rating agency's Website.</p> <ul style="list-style-type: none"> <li>• Downward Rating Migration by one notch to CARE AA(SO) the coupon rate shall increase by 25 bps from the original coupon.</li> <li>• Downward Rating Migration to CARE AA- (SO) or below, the debenture holders can exercise the right for a mandatory prepayment (on outstanding principal, Interest due, default interest and any other obligation due), or 50 bps increase in coupon from the original coupon. Issuer has to mandatory redeem the debentures within 30 days upon receipt of written notice to this effect from the debenture trustee.</li> </ul> <p>The revised Coupon rate shall be applicable from the date of the press release by the Credit Rating Agency.</p> <p>In case of multiple rating agencies, lowest rating available shall be considered for the above purpose.</p> <p>In case the rating is suspended by CARE or by any other rating agencies and if the same is not reinstated back to CARE AA+(SO) by Issuer within 15 Business Days, the debenture holders can exercise the right for a mandatory prepayment (on outstanding principal, Interest due, default interest and any other obligation due),</p> <p>In the event the credit rating of the Debentures is re-instated back to CARE AA+(SO) by the rating agency the applicable coupon rate shall be revised back progressively to the original level.</p>
Date of allotment	Within 5 business days from Pay-in date
Interest on Application Money	The interest on application money shall be payable by the company at coupon rate from the date of pay in upto and including one day prior to the Deemed Date of Allotment calculated on actual/actual day count basis, in case the Deemed Date of Allotments is after the pay-in date.
Documentation	<p>The Disclosure Document shall cover the disclosure requirements of Securities &amp; Exchange Board of India (SEBI), if applicable.</p> <p>Further the following transaction documents ("Transaction Documents") shall be executed:</p> <ul style="list-style-type: none"> <li>• Debenture Trust Deed</li> <li>• Information Memorandum</li> <li>• Debenture Trustee Agreement</li> <li>• DSRA Guarantee by SPCPL</li> <li>• Deed of Hypothecation</li> <li>• Power of Attorney pursuant to Deed of Hypothecation</li> <li>• Escrow Agreement</li> </ul> <p>Such other documents as may be mutually agreed to between the parties and</p>

	suggested by Legal Counsel.
<b>Penal Interest/Liquidated Damages</b>	In the event of any default in the regular payment the NCD on the due dates or any other default not cured within the stipulated period as stated above, additional interest of 1% per Annum payable monthly shall become due and payable over the monies due for the period of default.
<b>Computation of Interest</b>	Interest payable on the Debentures shall be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
<b>Listing</b>	Unlisted
<b>Event of Default</b>	<p><b>EOD Consequences</b></p> <p>The Debentures along with accrued interest shall become due and payable within T+10 business days upon receipt of written notice from Debenture Trustee to the DSRA Guarantor of happening of any of the following events except payment default/ DSRA replenishment / DSRA requirements which is payable immediately on default:</p> <p><b>EOD Occurrence</b></p> <p>1. Breach in terms mentioned in Financial Covenants, Key Covenants, Mechanism of Funding, DSRA, Waterfall Mechanism, DSRA, Escrow Account, cross default or any other term set out in this Term Sheet.</p> <p>SPCPL shall directly or indirectly retain equal management control and 50% ownership during the tenure of the NCD.</p> <p>(Event of Default to be captured more in details in DTD)</p>
<b>Key Covenants</b>	<ul style="list-style-type: none"> <li>• SP Group at all points in time shall exercise equal management control and maintain minimum shareholding of 50% during the tenure of the NCD.</li> <li>• No change in the shareholding of the Issuer without permission of Investor.</li> <li>• Cross default shall be applicable on default /financial indebtedness for any financial obligation whether in India or outside India based on the below criteria: <ul style="list-style-type: none"> <li>▪ Cross Default for Issuer, Promoter Companies and Subsidiaries: Default of any amount more than Rs 10 Crores of any other borrowings.</li> </ul> </li> <li>• Cross Default for DSRA Guarantor: <ul style="list-style-type: none"> <li>▪ Default of any amount more than Rs 10 Crores of any other borrowings.</li> </ul> </li> <li>• All internal borrowings of the Issuer from the Promoter Companies, &amp; Shapoorji Group shall be unsecured and subordinated to the NCDs at all times until the Final Settlement Date. For the sake of abundant caution, it is hereby clarified that the Issuer shall at all times be entitled to repay all such internal debt (obtained from the Promoter Companies, &amp; Shapoorji Group) without the requirement of any consent / approval from the Debenture Trustee so long as no Event of Default has occurred.</li> </ul>

	<p>Upon the occurrence of any Event of Default (which has not been cured by the Issuer within the specified cure period, if any), no payment to the Promoter Companies and / or Shapoorji Group (whether on account of internal borrowing or otherwise) shall be made by the Issuer till the Event of Default has been cured to the satisfaction of the Debenture Trustee.</p> <p>Further, Re-schedulement / re-structuring of the existing indebtedness of the Issuer as per applicable law including RBI and SEBI guidelines shall be included in the scope of cross default subject to remedy or cure period allowed under such regulatory guidelines.</p> <p>Issuer shall undertake to update the Debenture Trustee at all times on occurrence of any Cross Default scenario pertaining to this clause.</p> <p>Breach of any material covenant triggers an accelerated redemption option</p>
<b>Information Covenants</b>	<p><b>Annual basis</b></p> <ul style="list-style-type: none"> <li>• Submission of Annual Report within 180 days of the year ending</li> </ul>
<b>Governing Law and Jurisdiction</b>	<p>The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties to submit to the jurisdiction of the courts in Mumbai.</p>

